STATE OF WEST VIRGINIA OFFICE OF THE ATTORNEY GENERAL DARRELL V. MCGRAW, JR. CONSUMER PROTECTION DIVISION 1-800-368-8808 or 304-558-8986

Press Release

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ATTORNEY GENERAL DARRELL V. McGRAW, JR. ANNOUNCED THAT SALTON, INC., THE MANUFACTURER OF THE GEORGE FOREMAN CONTACT GRILL, HAS SETTLED WITH WEST VIRGINIA, 43 STATES, PUERTO RICO AND THE DISTRICT OF COLUMBIA

Attorney General Darrell V. McGraw today announced that West Virginia, 43 states, Puerto Rico and D.C. have settled with houseware manufacturer Salton, Inc., for \$8.2 million nationwide. The lawsuit was the result of a 2-year antitrust investigation. In their complaint, the Attorneys General alleged that Salton coerced retailers into fixing the price for Salton's George ForemanÔ contact grills. Moreover, the complaint alleged that Salton refused to sell George Foreman grills to retailers that sold grills manufactured by Salton's competitors.

Salton's George Foreman contact grills are popular grills that cook food on both sides simultaneously, much like a waffle iron. If a retailer sold the George Foreman contact grill at a discount price, Salton would refuse to sell its George Foreman grill to that retailer until the retailer complied with Salton's policies. "Salton's policies resulted in higher prices and fewer choices for consumers. Today's settlement is a win-win for West Virginians," stated Attorney General McGraw.

Under the settlement, Salton will pay \$8 million in damages, \$200,000 in investigative expenses, and notice costs. Salton will also agree to a court order that prevents it from engaging in similar anti-competitive conduct in the future. The damage amount is subject to adjustment depending on the number of states signing onto the settlement.

Because of the difficulty and expense of identifying the many individual consumers and returning funds to them, the settlement agreement provides that the restitution funds be distributed to charitable entities and/or government agencies for initiatives to improve health care and nutrition in ways that benefit, as a group, the purchasers of the Grills. Salton will complete its payments to West Virginia and the other entities in March 2004, at which time specific information about the distribution will be made available.

Further information on the settlement, including important documents, will be posted on the website of the National Association of Attorneys General, which is located at www.naag.org, as soon as it becomes available. Individuals interested in the settlement are advised to check that site for further details.

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